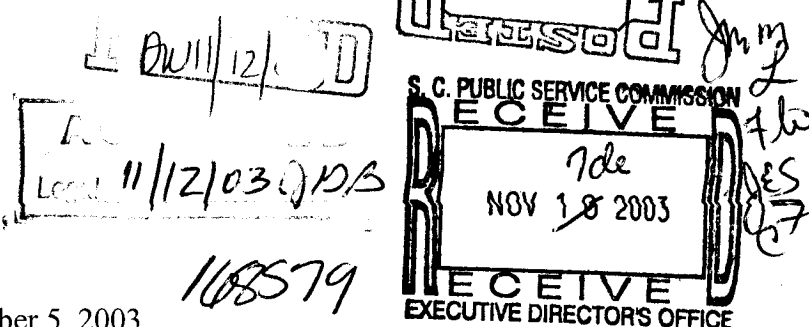


ELLIS:LAWHORNE

John J. Pringle, Jr.
Direct dial: 803/343-1270
jpringle@ellislawhorne.com

November 5, 2003



VIA ELECTRONIC MAIL SERVICE AND FIRST-CLASS MAIL SERVICE

The Honorable Bruce Duke
Deputy Executive Director
South Carolina
Public Service Commission
Post Office Drawer 11649
Columbia, South Carolina 29211

RE: Application of BellSouth Telecommunications, Inc. To Provide In-Region InterLATA Services Pursuant to Section 271 of the Telecommunications Act of 1996, **Docket No. 2001-209-C, Our File No. 611-10116**

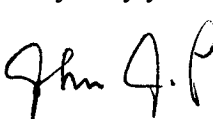
Dear Mr. Duke:

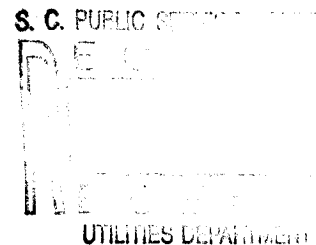
Enclosed is the original and fifteen (15) copies of the **Response of AT&T Communications of the Southern States, LLC, MCI WorldCom Communications, Inc., MCI WorldCom Network Services, Inc. and MCIMetro Access Transmission Services, LLC to BellSouth's Motion to Modify IPP** for filing in the above-referenced docket. By copy of this letter, I am serving all parties of record and enclose my certificate of service to that effect.

If you have any questions or need additional information, please do not hesitate to contact me.

With kind regards, I am

Very truly yours,


John J. Pringle, Jr.



JJP/cr

cc: All parties of record

Enclosure

G:\APPS\OFFICE\WPWIN\WPDOS\AT&T\B\ MOTION TO MODIFY IPP PLAN\dukerturn.wpd

DOCKET NO. 2001-209-C

RECEIVED
NOV 10 2003
EXECUTIVE DIRECTOR'S OFFICE

AT&T Communications of the Southern States, LLC (“AT&T”), MCI WorldCom Communications, Inc. (“MW Communications”), MCI WorldCom Network Services, Inc. (“MW Network Services”), and MCIMetro Access Transmission Services, LLC (“MCIIm”) hereby serve and file this Response to the Motion of BellSouth Telecommunications, Inc. (“BellSouth”) to Modify Incentive Payment Plan (“BellSouth’s Motion”), filed October 28, 2003. BellSouth’s Motion requests the entry of an order authorizing BellSouth to modify the Incentive Payment Plan (“IPP”) filed in this docket and approved by this Commission. BellSouth’s Motion seeks to modify the IPP to eliminate the requirement that BellSouth pay penalties relating to line sharing because, allegedly, the Federal Communications Commission’s (“FCC”) recently released Triennial Review Order¹ eliminated line sharing as an unbundled network element

¹The FCC released its *Report and Order* and *Order on Remand and Further Notice of Proposed Rulemaking* (FCC-03-36). *In the Matter of Review of the Section 251 Unbundling Obligations of Incumbent Local Exchange Carriers, et al.*, CC Docket No. 01-338, *et al.*, FCC 03-36 (rel. Aug. 21, 2003) (“Triennial Review Order”).

(“UNE”) which must be offered by incumbent local exchange carriers (“ILECs”) such as BellSouth.

BellSouth’s Motion should be denied for three reasons: 1) the Commission has jurisdiction over the IPP to protect South Carolina’s citizens from anti-competitive behavior, including enforcement of BellSouth’s Section 271 obligations; 2) BellSouth remains obligated to provide non-discriminatory access to line sharing both under the Triennial Review Order and the Telecommunications Act of 1996 (the “Act”); and 3) excusing BellSouth from providing non-discriminatory access to line sharing under the IPP is against the public interest and the purpose of the IPP. For these reasons, this Commission should deny BellSouth’s Motion to modify its IPP.

I. The Purpose of the IPP is to Discourage Anti-Competitive Behavior, Encourage Fair and Effective Competition, and Enforce BellSouth’s Section 271 Obligations.

BellSouth’s Motion should be denied because there is a mandate to continue line sharing under the IPP for as long as BellSouth is required to provide line sharing. BellSouth’s entire motion is based on the assertion that the IPP is narrowly tailored to enforce BellSouth’s Section 251 obligations.² This is a dramatic misstatement of the law. The IPP is designed to discourage anti-competitive behavior and encourage fair and effective competition. In addition, in BellSouth’s own words, “the purpose of SEEM is to prevent any ‘backsliding’ by BellSouth after it enters the long distance market. . . .”³

² BellSouth’s Motion at ¶ 1 (Asserting that “line sharing is no longer an unbundled network element that incumbent LECs are required to offer pursuant to Section 251 of the Act. For this reason, BellSouth should be relieved of any further obligation to pay SEEM penalties that relate to the provision of line sharing.”).

³ BellSouth Telecommunications, Inc. Post-Hearing Brief In Support of its Application for InterLATA Relief Pursuant to Section 271 of the Communications Act of 1934, As Amended, SCPSC Docket No. 2001-209-C, filed October 22, 2001, p. 32.

In contravention of its own previous advocacy, BellSouth now attempts to avoid any relationship to its Section 271 obligations or the jurisdictional basis of the IPP. In its Motion, BellSouth asserts that “a measurement plan is simply a mechanism that can be utilized to ensure that a RBOC meets its obligations under 251.”⁴ The reason BellSouth feels obliged to divorce the IPP from enforcement of BellSouth’s Section 271 obligations and the Commission’s jurisdiction is because BellSouth remains obligated to provide non-discriminatory access to line sharing both under the Triennial Review Order and Section 271 of the Act. It would be premature, a violation of Section 271, and detrimental to South Carolina consumers and competition for this Commission to approve any discontinuance of the IPP for line sharing when BellSouth remains obligated to provide line sharing under the Act and the rules and regulations of the FCC.

II. BellSouth is Still Obligated to Provide Non-Discriminatory Access to Line Sharing Provisioning, Maintenance and Repair.

A. The Triennial Review Order requires BellSouth to continue providing access to Line Sharing.

BellSouth *only* provides access to line sharing because it has been and remains obligated to do so.⁵ Indeed, the FCC expressly outlined the ILECs’ continuing line sharing obligations in the Triennial Review Order: “In order to implement the line sharing transition plan described above, we find that it is necessary to reinstate certain rules concerning the HFPL Incumbent LECs must condition loops to enable requesting carriers to access the HFPL Incumbent LECs must provide physical loop test access points *on a nondiscriminatory basis* for the purpose of loop testing,

⁴ BellSouth’s Motion at ¶ 2.

⁵ BellSouth’s Motion at ¶¶ 6 and 7 (outlining the Triennial Review Order’s grandfathering of existing line sharing customers and the continuing availability of line sharing during a three (3) year transition period).

maintenance, and repair activities.”⁶ Accordingly, BellSouth remains obligated to provision, maintain and repair line sharing on a non-discriminatory basis under the terms of the Triennial Review Order.

B. Section 271 of the Act also requires that BellSouth provide access to line sharing.

BellSouth is also obligated to provide access to line sharing under Section 271 of the Act. The FCC stated in the Triennial Review Order that “section 271 requires BOCs to provide unbundled access to elements not required to be unbundled under section 251 . . .”⁷ The FCC went on to state that “BOCs must continue to comply with any conditions required for approval consistent with changes in the law.”⁸ There can be no question that Section 271 checklist item number 4 requires the RBOCs to provide access to line sharing. Checklist item 4 requires the RBOCs to provide access to “local loop transmission from the central office to the customer’s premises, *unbundled from local switching or other services*.”⁹ The High Frequency Portion of the Loop (“HFPL”) is clearly a form of loop transmission – loop transmission that the RBOCs themselves routinely use to provide xDSL services separately from narrowband voice services.¹⁰ Indeed, in describing the HFPL in the *Line Sharing Order*, the FCC stated that “requesting carriers may access unbundled loop functionalities, such as *non-voiceband transmission frequencies, separate from other loop functions*” – distinguishing the high frequency loop transmission path from the narrowband frequencies used for circuit

⁶ Triennial Review Order at ¶ 268 (emphasis added).

⁷ Triennial Review Order at ¶ 659.

⁸ Triennial Review Order at ¶ 665.

⁹ See 47 U.S.C. § 271(c)(2)(B)(iv).

¹⁰ In other words, BOC customers typically purchase narrowband voice services without also purchasing xDSL, and pay a separate monthly fee in order to add xDSL services to their local loop.

switched voice services.¹¹ Thus, in light of the clear statutory language in checklist item 4, there is no question that the BellSouth and the other RBOCs remain under a statutory obligation to offer unbundled HFPL loop transmission to competitors.

A long line of FCC Section 271 orders confirms the *continuing* obligation of RBOCs to offer unbundled access to HFPL loop transmission after Section 271 approval. Since the RBOCs first implemented access to line sharing, the FCC has consistently looked at the non-discriminatory availability of line sharing as part of its review of RBOC compliance with checklist item number 4.¹² To this day, months after its decision to eliminate the line sharing UNE, and even after the rules in the Triennial Review Order have become effective, the FCC continues to look at the non-discriminatory availability of line sharing as an integral component of its checklist item 4 analysis in Section 271 proceedings¹³ – even where the Section 271 application at issue was filed more than a month after the FCC voted to eliminate the line sharing UNE *and* the FCC Order granting the application was issued two weeks after the Triennial Review Order became effective.¹⁴ In that Order, the FCC continued to consider non-discriminatory access to line sharing under checklist item number 4:

¹¹ See *Deployment of Wireline Services Offering Advanced Telecommunications Capability*, Third Report and Order in CC Docket No. 98-147 Fourth Report and Order in CC Docket No. 96-98, FCC 99-355, 14 FCC Rcd. 20912, 20923 at para. 18 (1999).

¹² See, e.g., *Joint Application by SBC Communications, Inc., et al., for Provision of In-Region InterLATA Services in Kansas and Oklahoma*, Memorandum Opinion and Order, CC Docket No. 00-217, FCC 01-29, paras. 214-219 (2001).

¹³ See *Application by Qwest Communications International, Inc., for Authorization to Provide In-Region, InterLATA Services in Minnesota*, Memorandum Opinion and Order, WC Docket No. 03-90, FCC 03-142, para. 53, and App. C, paras. 50-51; *Application by SBC Communications, Inc., et al., for Authorization to Provide In-Region, InterLATA Services in Michigan*, Memorandum Opinion and Order, WC Docket No. 03-138, FCC 03-228, paras. 133-143; and *Application by SBC Communications, Inc., et al., for Authorization to Provide In-Region, InterLATA Services in Illinois, Indiana, Ohio and Wisconsin*, Memorandum Opinion and Order, WC Docket No. 03-167, FCC 03-243, issued October 15, 2003, paras. 133-143.

¹⁴ See *id.* at para. 1.

¶ 142: Based on the evidence in the record, we conclude, consistent with the state commissions, that SBC provides unbundled local loops in accordance with the requirements of section 271 and our rules. Our conclusion is based on our review of SBC's performance for all loop types, which include voice-grade loops, xDSL-capable loops, digital loops, and highcapacity loops, as well as our review of SBC's processes for hot cut provisioning, and *line sharing* and line splitting.

¶ 145. *Line Sharing and Line Splitting.* Based on the evidence in the record, we find that SBC provides nondiscriminatory access to the high frequency portion of the loop (*line sharing*). SBC's performance data for line shared loops demonstrate that it is generally in compliance with the parity and benchmark measures established in the application states¹⁵

Manifestly then, non-discriminatory access to line sharing remains a requisite to Section 271 approval after the Triennial Review Order, and consequently, a requisite to compliance with Section 271 "back-sliding" provisions.¹⁶ Despite a change in the law relied upon by BellSouth, BellSouth remains under a continuing obligation under Section 271 of the Act to provide non-discriminatory access to line sharing.

III. Because BellSouth Remains Obligated to Provide Non-Discriminatory Access to Line Sharing, the IPP Should Continue to Enforce that Obligation.

In accordance with the purposes of the IPP and the continuing obligation of BellSouth to provide non-discriminatory access to line sharing, BellSouth's Motion should be denied. The public interest requires that customers of AT&T, MW Communications, MW Network Services, MCI and other competitive local exchange carriers ("CLECs") are protected from discriminatory treatment by BellSouth. What BellSouth is really asking this Commission to do is grant BellSouth unfettered discretion to treat line sharing customers of CLECs in any manner it sees fit. If such discretion were responsibly handled by the RBOCs and other monopolists in the past, the Sherman Act, the Modified Final Judgment, the Act, and the IPP would all be unnecessary. The

¹⁵ Id. (emphasis added).

¹⁶ Triennial Review Order at ¶¶ 659 and 665.

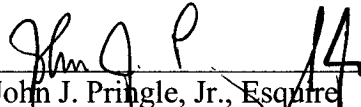
IPP is necessary for the very reasons that underlie the Commission's jurisdiction: discouraging anti-competitive behavior and encouraging fair and effective competition. It is also an integral part of the Section 271 requirements that allow BellSouth to compete in the arena of interLATA telecommunications services. As long as BellSouth is obligated to provide parity treatment to its competitors and its competitors' customers, plans like the IPP are required to enforce that obligation.

IV. Conclusion

For the reasons set-forth in this Response, BellSouth's Motion to Modify the IPP to relieve it of any penalties for discriminatory treatment of line sharing customers should be denied.

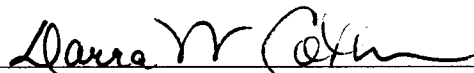
Respectfully submitted this the 5th day of November, 2003.

AT&T Communications of the Southern States, LLC



John J. Pringle, Jr., Esquire
ELLIS, LAWHORNE & SIMS, P.A.
1501 Main Street, Fifth Floor
PO Box 2285
Columbia, SC 29202
(803) 254-4190

MCI WorldCom Communications, Inc.
MCI WorldCom Network Services, Inc.
MCIMetro Transmission Services, LLC



Darra W. Cothran, Esquire
WOODWARD, COTHRAN & HERNDON
PO Box 12399
Columbia, SC 29211
(803) 799-9772

**BEFORE THE
SOUTH CAROLINA PUBLIC SERVICE COMMISSION
DOCKET NO. 2001-209-C**

Application of BellSouth Telecommunications)	
Inc. To Provide In-Region InterLATA)	CERTIFICATE OF SERVICE
Services Pursuant to Section 271 of the)	
Telecommunications Act of 1996)	

This is to certify that I have caused to be served this day, one (1) copy of the **RESPONSE OF AT&T COMMUNICATIONS OF THE SOUTHERN STATES, LLC, MCI WORLDCOM COMMUNICATIONS, INC., MCI WORLDCOM NETWORK SERVICES, INC., AND MCIMETRO ACCESS TRANSMISSION SERVICES, LLC TO BELLSOUTH'S MOTION TO MODIFY IPP** by placing a copy of same in the care and custody of the United States Postal Service (unless otherwise specified), with proper first-class postage affixed hereto and addressed as follows:

Patrick W. Turner, Esq.
BellSouth Telecommunications, Inc.
PO Box 752
Columbia SC 29202-0752

Scott A. Elliott, Esq.
Elliott & Elliott
721 Olive St.
Columbia, SC 29205
(Sprint/United Telephone Company)

Marty Bocock, Esq.
Director of Regulatory Affairs
1122 Lady Street, Suite 1050
Columbia, SC 29201
(Sprint/United Telephone Company)

Frank Rogers Ellerbe III, Esq.
Bonnie D. Shealy, Esq.
Robinson, McFadden & Moore
1901 Main Street, Suite 1500
Post Office Box 944
Columbia, SC 29202
(NewSouth Communications Corp., SCCTA
and SECCA and KMC Telecom III, Inc.)

Genevieve Morelli, Esq.
Andrew M. Klein, Esq.
Kelley, Drye & Warren, LLP
1200 19th Street, NW
Washington DC 20036
(KMC Telecom III, Inc.)

John D. McLaughlin, Jr.
Director, State Government Affairs
KMC Telecom, Inc.
1755 North Brown Road
Lawrenceville, GA 30043
(KMC Telecom)

Edward Phillips, Esq.
141111 Capital Blvd.
Wake Forest, NC 27587-5900
(Sprint/United Telephone)

Elliott Elam, Staff Attorney
SC Department of Consumer Affairs
3600 Forest Drive, 3rd Floor
Post Office Box 5757
Columbia, SC 29250-5757
(Consumer Advocate)

Faye A. Flowers, Esq.
Parker, Poe, Adams & Bernstein, LLP
1201 Main Street, Suite 1450
Post Office Box 1509
Columbia SC 29202-1509
(US LEC)

William R. Atkinson, Esq.
3100 Cumberland Circle
Cumberland Center II
Atlanta, GA 30339-5940
(Sprint Communications Company L.P.)

Darra W. Cothran, Esq.
Woodward, Cothran & Herndon
1200 Main Street, 6th Floor
Post Office Box 12399

Columbia, SC 29211
(MCI WorldCom Network Service, Inc.
MCI WorldCom Communications and
MCI metro Access Transmission Services, Inc.)

Marsha A. Ward, Esq.
MCI WorldCom, Inc.
Law and Public Policy
6 Concourse Parkway, Suite 3200
Atlanta, GA 30328
(MCI)

Mr. Andrew O. Isar
Association of Communications Enterprises
7901 Skansie Avenue, Suite 240
Gig Harbor, WA 98335
(ASCENT)

Russell B. Shetterly, Esq.
Haynesworth, Sinkler & Boyd, PA
Post Office Box 8207
Columbia SC 29202
(Knology of Charleston and Knology of
South Carolina, Inc.)

Nanette Edwards, Esq.
ITCΔDeltaCom
4092 S. Memorial Parkway
Huntsville AL 35802

Timothy Barber, Esq.
Womble, Carlyle, Sandridge & Rice
3300 One First Union Center
301 South College, Suite 3300
Charlotte, NC 28202
(AT&T)

Traci Vanek, Esq.
Tami Azorsky, Esq.
Michael Hopkins, Esq.
McKenna & Cuneo, LLP
1900 K Street, N.W.
Washington, DC 20006

(AT&T)

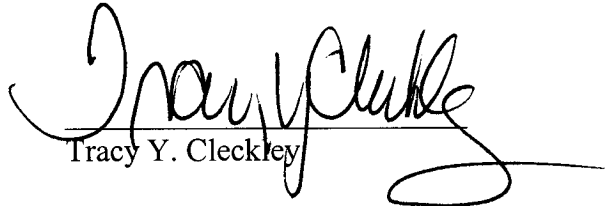
William Prescott, Esq.
1200 Peachtree Street, N.E., Suite 8100
Atlanta, GA 30309
(AT&T)

John A. Doyle, Jr. Esq.
Parker, Poe, Adams & Bernstein, L.L.P.
150 Fayetteville Street Mall, Suite 1400
Raleigh, NC 27602
(US LEC of South Carolina)

Florence Belser, Esq.
SC Public Service Commission
PO Drawer 11649
Columbia SC 29211

Sonia Daniels
Law & Government Affairs
AT&T - Southern Region
1200 Peachtree Street, NE, Rm 4080
Atlanta, GA 30309
(AT&T)

Jocelyn G. Boyd, Esq.
S. C. Public Service Commission
Post Office Box 11649
Columbia, SC 29211


Tracy Y. Cleckley

November 5, 2003

Columbia, South Carolina

F:\APPS\OFFICE\WPWIN\WPDOCS\AT&T\BS MOTION TO MODIFY IPP PLAN\cert.docket.wpd